#### Bill

Received: 01/26/2001

Received By: kenneda

Wanted: As time permits

Identical to LRB:

For: Administration 266-2214

By/Representing: Jennifer Kraus

This file may be shown to any legislator: NO

Drafter: kenneda

May Contact:

Addl. Drafters:

Subject:

Public Assistance - med. assist.

Extra Copies:

ISR

Pre Topic:

No specific pre topic given

Topic:

MA supplemental payments to reduce operating deficits of county nursing homes

Instructions:

See Attached

Vers.	<u>Drafted</u>	Reviewed	Typed	Proofed	Submitted	<u>Jacketed</u>	Required
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### Bill

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Received: 01/26/2001				Received By: kenneda			
Wanted: As time permits				Identical to LRB:			
For: Ad	ministration 2	66-2214			By/Representing:	Jennifer Kra	aus
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Received: 01/26/2001			Received By: kenneda				
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For: Administration 266-2214				By/Representing:	Jennifer Kra	aus		
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Received By: kenneda

Wanted: As time permits

Identical to LRB:

For: Administration 266-2214

By/Representing: Jennifer Kraus

This file may be shown to any legislator: NO

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May Contact:

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Public Assistance - med. assist.

Extra Copies:

**ISR** 

**Pre Topic:** 

No specific pre topic given

Topic:

MA supplemental payments to reduce operating deficits of county nursing homes

**Instructions:** 

See Attached

**Drafting History:** 

Vers.

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# STATE OF WISCONSIN – **LEGISLATIVE REFERENCE BUREAU** – LEGAL SECTION (608–266–3561)

125/01 Fran Jennifer Kraus	
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Amend 49.45 (6u) to del	ete "Ourada ainendurent"
and substitute \$ 40,100,00	0 for frame given,
Amend 49.45 (lov) to del and substitute \$ 40,100.00 effective on passage.	
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# State of Misconsin 2001 – 2002 LEGISLATURE

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

Generate

AN ACT ...; relating to: supplemental medical assistance payments to reduce

operating deficits of county, city, village, or town nursing homes.

Analysis by the Legislative Reference Bureau

Under current law, the department of health and family services (DHFS) may, in each fiscal year, distribute up to \$38,600,000 received as federal financial (f) participation to supplement payments under (MA) in order to reduce operating deficits of county, city, village, or town nursing homes. DHFS must also distribute for this purpose additional moneys received as federal financial participation that were not anticipated before enactment of the biennial budget act or before enactment of other legislation that affects the appropriation of such federal moneys. The distribution of these supplemental payments is made under a method that includes consideration of the size of a nursing home's operating deficit and an agreement by the affected county, city, town, or village to provide funds to match the federal moneys. DHFS must revise the method, for approval by the joint committee on finance, if the federal department of health and human services approves a lesser amount of federal moneys for expenditure. If the federal department of health and human services disallows use of the federal moneys for the purpose of these supplemental payments, DHFS must reduce allocations to counties, and a city, town, or village that owns or operates a nursing home that has received funds must reimburse the county in which the city, town, or village is located.

This bill eliminates, in the program to supplement MA payments to reduce operating deficits of county, city, village, or town nursing homes, the requirement that DHFS distribute for this purpose additional, unanticipated moneys received as

federal financial participation and increases, to up to \$40,100,000, the amount of federal financial participation that may be distributed.

For further information see the **state and local** fiscal estimate, which will be printed as an appendix to this bill.

# The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 49.45 (6u) (intro.) of the statutes is amended to read:

Notwithstanding sub. (6m), from the appropriation under s. 20.435 (4) (0), for reduction of operating deficits, as defined under criteria developed by the department, incurred by a facility, as defined under sub. (6m) (a) 3., that is established under s. 49.70 (1) or that is owned and operated by a city, village or town, the department may not distribute to these facilities more than \$38,600,000 \$40,100,000 in each fiscal year, as determined by the department, except that the department shall also distribute for this same purpose from the appropriation under s. 20.435 (4) (0) any additional federal medical assistance moneys that were not anticipated before enactment of the biennial budget act or other legislation affecting s. 20.435 (4) (o). The total amount that a county certifies under this subsection may not exceed 100% of otherwise—unreimbursed care. In distributing funds under this subsection, the department shall perform all of the following:

History: 1971 c. 40 s. 93; 1971 c. 42, 125; 1971 c. 213 s. 5; 1971 c. 215, 217, 307; 1973 c. 62, 90, 147; 1973 c. 333 ss. 106g, 106h, 106j, 201w; 1975 c. 39; 1975 c. 223 s. 28; 1975 c. 224 ss. 54h, 56 to 59m; 1975 c. 383 s. 4; 1975 c. 411; 1977 c. 29, 418; 1979 c. 34 ss. 837f to 838, 2102 (20) (a); 1979 c. 102, 177, 221, 355; 1981 c. 20 ss. 839 to 854, 2202 (20) (r); 1981 c. 93, 317; 1983 a. 27 ss. 1046 to 1062m, 2200 (42); 1983 a. 245, 447, 527; 1985 a. 29 ss. 1026m to 1031d, 3200 (23), (56), 3202 (27); 1985 a. 120, 176, 269; 1985 a. 332 ss. 91, 251 (5), 253; 1985 a. 340; 1987 a. 27 ss. 989r to 1000s, 2247, 3202 (24); 1987 a. 186, 307, 339, 399; 1987 a. 403 s. 256; 1987 a. 413; 1989 a. 6; 1989 a. 31 ss. 1402 to 1452g, 2909g, 2909i; 1989 a. 107, 173, 310, 336, 351, 359; 1991 a. 22, 39, 80, 250, 269, 315, 316; 1993 a. 16 ss. 1362g to 1403, 3883; 1993 a. 27, 107, 112, 183, 212, 246, 269, 335, 356, 437, 446, 469; 1995 a. 20; 1995 a. 27 ss. 2947 to 3002r, 7299, 9126 (19), 9130 (4), 9145 (1); 1995 a. 191, 216, 225, 289, 303, 398, 417, 457; 1997 a. 3, 13, 27, 114, 175, 191, 237, 252, 293; 1999 a. 9, 63, 103, 180, 185.

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### Kennedy, Debora

From:

Kraus, Jennifer

Sent:

Sunday, February 04, 2001 3:27 PM

To:

Kennedy, Debora

Subject:

FW: LRB-2268: MA Supplemental Payments

#### Hi Debora

Can you make the following changes to this bill draft? Note: This is not a budget draft. It is the FY01 separate legislation related to IGI.

1) Make the repeal of the Ouarada amendment retroactive to July 1, 2000.

2) Include the creation of the Medicaid Trust fund in this draft as well as in the budget draft.

Call if you have questions - Thanks

Jenny

----Original Message-----From: Bove, Fredi-Ellen

Sent: Friday, February 02, 2001 10:48 AM To: Kraus, Jennifer; Mullikin, Melissa

Cc: Gebhart, Neil; Bartels, Peggy; Bormett, Michael; Boroniec,

Priscilla; Lund, C. David

Subject: RE: LRB-2268: MA Supplemental Payments

DHFS supports the inclusion of the creation of the Medicaid Trust Fund in the separate legislation. We concur with you instructing LRB to modify LRB-2268 (MA Supplemental Payments) to do so.

25 From Jennifer:

payout 20.435(4)(w) should pay out oney to 49.45(bu); no other

payout Double draft 49.45 (bu) to deal w/ retro. eff date

No rends to 20.435(4)(0)

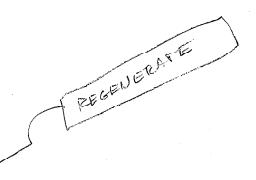
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### State of Misconsin 2001 - 2002 **LEGISLATURE**

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LRB-2268/多之 DAK:hmh:

#### BILL 2001



AN ACT to amend 49.45 (6u) (intro.) of the statutes; relating to: supplemental

2 medical assistance payments to reduce operating deficits of county, city, village,

or town nursing homes. Theating a medical assistance trust fund, and making an appropriation

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### Analysis by the Legislative Reference Bureau

Under current law, the department of health and family services (DHFS) may, in each fiscal year, distribute up to \$38,600,000 received as federal financial / A participation to supplement payments under medical assistance MAY in order to reduce operating deficits of county, city, village, or town nursing homes. DHFS must also distribute for this purpose additional moneys received as federal financial participation that were not anticipated before enactment of the biennial budget act or before enactment of other legislation that affects the appropriation of such federal moneys. The distribution of these supplemental payments is made under a method that includes consideration of the size of a nursing home's operating deficit and an agreement by the affected county, city, town, or village to provide funds to match the federal moneys. DHFS must revise the method, for approval by the joint committee on finance, if the federal department of health and human services approves a lesser amount of federal moneys for expenditure. If the federal department of health and human services disallows use of the federal moneys for the purpose of these supplemental payments, DHFS must reduce allocations to counties, and a city, town, or village that owns or operates a nursing home that has received funds must reimburse the county in which the city, town, or village is located.

This bill eliminates, in the program to supplement MA payments to reduce operating deficits of county, city, village, or town nursing homes, the requirement

- (as of Going 1. Donn, netronation by)

that DHFS distribute for this purpose additional, unanticipated moneys received as federal financial participation and increases, to up to \$40,100,000, the amount of federal financial participation that may be distributed.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

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**Section**/1: 49.45 (6u) (intro.) of the statutes is amended to read:

Notwithstanding sub. (6m), from the appropriation under s. 20.435 (4) (o), for reduction of operating deficits, as defined under criteria developed by the department, incurred by a facility, as defined under sub. (6m) (a) 3., that is established under s. 49.70 (1) or that is owned and operated by a city, village or town, the department may not distribute to these facilities more than \$38,600,000 \$40,100,000 in each fiscal year, as determined by the department, except that the department shall also distribute for this same purpose from the appropriation under s. 20.435 (4) (o) any additional federal medical assistance moneys that were not anticipated before enactment of the biennial budget act or other legislation affecting s. 20.435 (4) (o). The total amount that a county certifies under this subsection may not exceed 100% of otherwise—unreimbursed care. In distributing funds under this subsection, the department shall perform all of the following:

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that DHFS distribute for this purpose additional, unanticipated moneys received as federal financial participation and increases, to up to \$40,100,000, the amount of federal financial participation that may be distributed.

For further information see the state and local fiscal estimate, which will be

printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enáct as follows: , as affected by 2001 Wiscons SECTION 1. 49.45 (611) (intro.) of the statutes is amended to read:

2 49.45 (**6u**) SUPPLEMENTAL PAYMENTS TO CERTAIN FACILITIES. (intro.)

appropriations Notwithstanding sub. (6m), from the appropriation under s. 20.435 (4) (o), for 3 reduction of operating deficits, as defined under criteria developed by the 4 5 department, incurred by a facility, as defined under sub. (6m) (a) 3., that is 6 established under s. 49.70 (1) or that is owned and operated by a city, village or town, 7 the department may not distribute to these facilities more than \$38,600,000 \$40,100,000 in each fiscal year, as determined by the department fexcept that the depaytment/shall also distribute for this same purpose from the appropriation/under s.20135 (4), (o) any additional federal medical assistance moneys that were not anticipated before enactment of the biennial budget act or other legislation affecting **(12)** A: 20.135 (1) (4) (1) The total amount that a county certifies under this subsection may

not exceed 100% of otherwise-unreimbursed care. In distributing funds under this

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subsection, the department shall perform all of the following:

# 2001

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[rev: 8/28/00 2001effdate(fm)]

DOA:.....Mullikin – Appropriation for intergovernmental transfer program funds

FOR 2001-03 BUDGET - NOT READY FOR INTRODUCTION

Supplemental

paymente to

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deficits 3

county, city,

village nursing

homes

AN ACT ...; relating to: the budget.

# Analysis by the Legislative Reference Bureau HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

Under current federal law, medical assistance (MA) is a jointly funded, federal—state program; federal funds (known as "federal financial participation") are provided to match state funds expended for MA. Public funds that are not federal funds, that are transferred to the state, and that are expended for MA purposes may be considered as the state's share in claiming federal financial participation.

This bill creates a separate, nonlapsible trust fund, designated as the MA trust fund, from: 1) moneys received as federal financial participation to match public moneys transferred to the state or certified by OHFS as the state share of financial participation for payments related to nursing homes under the MA program; and 2) public moneys transferred to the state or certified by DHFS as the state and federal share of financial participation for payments related to nursing homes under the MA program. The moneys are appropriated to meet costs of MA and the administrative costs secretared with aggreeating federal financial participation.

Under current law, DHFS may, in each fiscal year, distribute up to \$38,600,000 received as federal financial participation to supplement payments under MA in order to reduce operating deficits of county city, village, or town nursing homes.

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DHFS must also distribute for this purpose additional moneys received as federal financial participation that were not anticipated before enactment of the biennial budget act or before enactment of other legislation that affects the appropriation of such federal moneys. The distribution of these supplemental payments is made under a method that includes consideration of the size of a nursing home's operating deficit and an agreement by the affected county, city, town, or village to provide funds to match the federal moneys. DHFS must revise the method, for approval by JCF, if the federal department of health and human services approves a lesser amount of federal moneys for expenditure. If the federal department of health and human services disallows use of the federal moneys for the purpose of these supplemental payments, DHFS must reduce allocations to counties, and a city, town, or village that owns or operates a nursing home that has received funds must reimburse the county in which the city, town, or village is located.

This bill as of July 1, 2000, retroactively eliminates, in the program to supplement MA payments to reduce operating deficits of county, city, village, or town nursing homes, the requirement that DHFS distribute for this purpose additional, unanticipated moneys received as federal financial participation and increases, to up to \$40,100,000, the amount of federal financial participation that may be distributed. Further, the bill specifies amounts that may be distributed, beginning in state fiscal year 2001–02, depending on whether or not federal financial participation in the amount of at least \$115,200,000 is received.

For further information see the **state and local** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 20.435 (4) (o) of the statutes is amended to read:

20.435 (4) (o) Federal aid; medical assistance. All federal moneys received for

meeting costs of medical assistance administered under ss. 46.284 (5), 49.45 and

49.665, to be used for those purposes and for transfer to the medical assistance trust

fund, for those purposes.

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SECTION 2. 20.435 (4) (w) of the statutes is created to read:

20.435 (4) (w) Medical assistance trust fund. From the medical assistance trust

fund, all moneys received for meeting costs of medical assistance administered under

\$\$/46,27/46.275 (5),46,278 (6),46,283 (5),46,284 (5),49.45 49.472 (6),49,49,665

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L	and for administrative costs associated with augmenting the amount of federal
2	moneys-received under 42 CFR 43351.
	***Note: This Section involves a change in an appropriation that must be reflected in the revised schedule in s-20.005, stats.
3	SECTION 3. 25.17 (1) (jv) of the statutes is created to read:
4	25.17 (1) (jv) Medical assistance trust fund (s. 25.77);
5	SECTION 4. 25.77 of the statutes is created to read:
6	25.77 Medical assistance trust fund. There is created a separate
7	nonlapsible trust fund designated as the medical assistance trust fund, consisting
8	of all of the following:
9	(1) All federal moneys received including moneys that the department of
10-2	health and family services may transfer from the appropriation under s. 20.435 (4)
11)	that are related to payments under s. 49.45 (6m) and are based on public funds
12	that are transferred or certified under 42 CFR 433.51 (b) and used as the non-federal
13	share of medical assistance funding.
14	(2) All public funds that are related to payments under s. 49.45 (6m) and that
15	are transferred or certified under 42 CFR 433.51 (b) and used as the non-federal and
16	federal share of medical assistance funding.
17	SECTION 5. 46:27 (9) (a) of the statutes is amended to read:
18	46.27 (9) (a) The department may select up to 5 counties that volunteer to
19	participate in a pilot project under which they will receive certain funds allocated for
20	long-term care. The department shall allocate a level of funds to these counties
21	equal to the amount that would otherwise be paid under s. 20.435 (4) (b) or (w) to
22	nursing homes for providing care because of increased utilization of nursing home

services, as estimated by the department. In estimating these levels, the department

# DRAFTER'S NOTE FROM THE LEGISLATIVE REFERENCE BUREAU

LRB-2268/2dn DAK:hmh:km

Will

To Jennifer Kraus:

Please note that I deleted language from s. 25.77 (1) (",including moneys that the department of health and family services may transfer from the apporpriation under s. 20.435(4) (0),"), because no amendment to s. 20.435 (4) (0) to allow for this transfer is made in this draft. Okay?

Debora A. Kennedy Managing Attorney Phone: (608) 266–0137

E-mail: debora.kennedy@legis.state.wi.us

# DRAFTER'S NOTE FROM THE LEGISLATIVE REFERENCE BUREAU

LRB-2268/2dn DAK:hmh:rs

February 5, 2001

#### To Jennifer Kraus:

Please note that I deleted language from s. 25.77 (1) (", including moneys that the department of health and family services may transfer from the appropriation under s. 20.435 (4) (o),"), because no amendment to s. 20.435 (4) (o) to allow for this transfer is made in this draft. Okay?

Debora A. Kennedy Managing Attorney Phone: (608) 266–0137

E-mail: debora.kennedy@legis.state.wi.us



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State of Misconsin . 2001 – 2002 LEGISLATURE

LRB-2268/2 3 DAK:hmh:16

#### 2001 BILL

AN ACT to amend 49.45 (6u) (intro.) and 49.45 (6u) (intro.); and to create 20.435

(4) (w), 25.17 (1) (jv) and 25.77 of the statutes; relating to: supplemental

regenerate

medical assistance payments to reduce operating deficits of county, city, village,

or town nursing homes, creating a medical assistance trust fund, and making

an appropriation.

### Analysis by the Legislative Reference Bureau

Under current federal law, medical assistance (MA) is a jointly funded, federal-state program; federal funds (known as "federal financial participation") are provided to match state funds expended for MA. Public funds that are not federal funds, that are transferred to the state, and that are expended for MA purposes may be considered as the state's share in claiming federal financial participation.

This bill creates a separate, nonlapsible trust fund, designated as the MA trust fund, from: 1) moneys received as federal financial participation to match public moneys transferred to the state or certified by the department of health and family services (DHFS) as the state share of financial participation for payments related to nursing homes under the MA program; and 2) public moneys transferred to the state or certified by DHFS as the state and federal share of financial participation for payments related to nursing homes under the MA program. The moneys are appropriated to meet costs of MA supplemental payments to reduce operating deficits of county-city, village, or town nursing homes.

Under current law, DHFS may, in each fiscal year, distribute up to \$38,600,000 received as federal financial participation to supplement payments under MA in

order to reduce operating deficits of county, city, village, or town nursing homes. DHFS must also distribute for this purpose additional moneys received as federal financial participation that were not anticipated before enactment of the biennial budget act or before enactment of other legislation that affects the appropriation of such federal moneys. The distribution of these supplemental payments is made under a method that includes consideration of the size of a nursing home's operating deficit and an agreement by the affected county, city, town, or village to provide funds to match the federal moneys. DHFS must revise the method, for approval by the joint committee on finance, if the federal department of health and human services approves a lesser amount of federal moneys for expenditure. If the federal department of health and human services disallows use of the federal moneys for the purpose of these supplemental payments, DHFS must reduce allocations to counties, and a city, town, or village that owns or operates a nursing home that has received funds must reimburse the county in which the city, town, or village is located.

This bill as of July 1, 2000, retroactively eliminates, in the program to supplement MA payments to reduce operating deficits of county, city, village, or town nursing homes, the requirement that DHFS distribute for this purpose additional, unanticipated moneys received as federal financial participation and increases, to up to \$40,100,000, the amount of federal financial participation that may be distributed.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

# The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 20.435 (4) (w) of the statutes is created to read: 2 20.435 (4) (w) Medical assistance trust fund. From the medical assistance trust 3 fund, all moneys-received for meeting costs of medical assistance administered under 4 s. 49.45 (6u). 5 **Section 2.** 25.17 (1) (iv) of the statutes is created to read: 6 25.17 (1) (jv) Medical assistance trust fund (s. 25.77); 7 **SECTION 3.** 25.77 of the statutes is created to read: 8 25.77 Medical assistance trust fund. There is created a separate 9 nonlapsible trust fund designated as the medical assistance trust fund, consisting 10 of all of the following:

(1) All federal moneys received that are related to payments under s. 49.45
(6m) and are based on public funds that are transferred or certified under 42 CFR
433.51 (b) and used as the non-federal share of medical assistance funding.

(2) All public funds that are related to payments under s. 49.45 (6m) and that are transferred or certified under 42 CFR 433.51 (b) and used as the non-federal and federal share of medical assistance funding.

SECTION (4) 49.45 (6u) (intro.) of the statutes is amended to read:

Notwithstanding sub. (6m), from the appropriation under s. 20.435 (4) (0), for reduction of operating deficits, as defined under criteria developed by the department, incurred by a facility, as defined under sub. (6m) (a) 3., that is established under s. 49.70 (1) or that is owned and operated by a city, village or town, the department may not distribute to these facilities more than \$38,600,000 \$40,100,000 in each fiscal year, as determined by the department, except that the department shall also distribute for this same purpose from the appropriation under s. 20.435 (4) (o) any additional federal medical assistance moneys that were not anticipated before enactment of the biennial budget act or other legislation affecting s. 20.435 (4) (o). The total amount that a county certifies under this subsection may not exceed 100% of otherwise—unreimbursed care. In distributing funds under this subsection, the department shall perform all of the following:

SECTION 5. 49.45 (6u) (intro.) of the statutes, as affected by 2001 Wisconsin Act
.... (this act), is amended to read:

49.45 (6u) SUPPLEMENTAL PAYMENTS TO CERTAIN FACILITIES. (intro.)
Notwithstanding sub. (6m), from the appropriation appropriations under s. 20.435
(4) (o) and (w), for reduction of operating deficits, as defined under criteria developed

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(11)

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1	by the department, incurred by a facility, as defined under sub. (6m) (a) 3., that is
2	established under s. 49.70 (1) or that is owned and operated by a city, village or town,
3	the department may not distribute to these facilities more than \$40,100,000 in each
4	fiscal year, as determined by the department. The total amount that a county
5	certifies under this subsection may not exceed 100% of otherwise-unreimbursed
6	care. In distributing funds under this subsection, the department shall perform all
7	of the following:

**SECTION 6. Effective dates.** This act takes effect on the day after publication, except as follows:

(1) Supplemental medical assistance payments to nursing homes. The amendment of section 49.45 (6u) (intro.) (by Section 4) of the statutes takes effect retroactively to July 1, 2000.

13 (END)

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CCC to AB 274
× D 2
X. Page 3, line 18: delete "amendment"
and substitute "treatment".
X D 2
X. Page 3, line 18: delete "(by
•
SECTION 3)".
SECTION O).
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## State of Misconsin 2001-2002 LEGISLATURE

### CORRECTIONS IN:

## 2001 ASSEMBLY BILL 274

Prepared by the Legislative Reference Bureau (April 3, 2001)

- 1. Page 3, line 18: delete "amendment" and substitute "treatment".
- 2. Page 3, line 18: delete "(by Section 3)".